



Major New York State Climate Change Policies

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New York's Climate



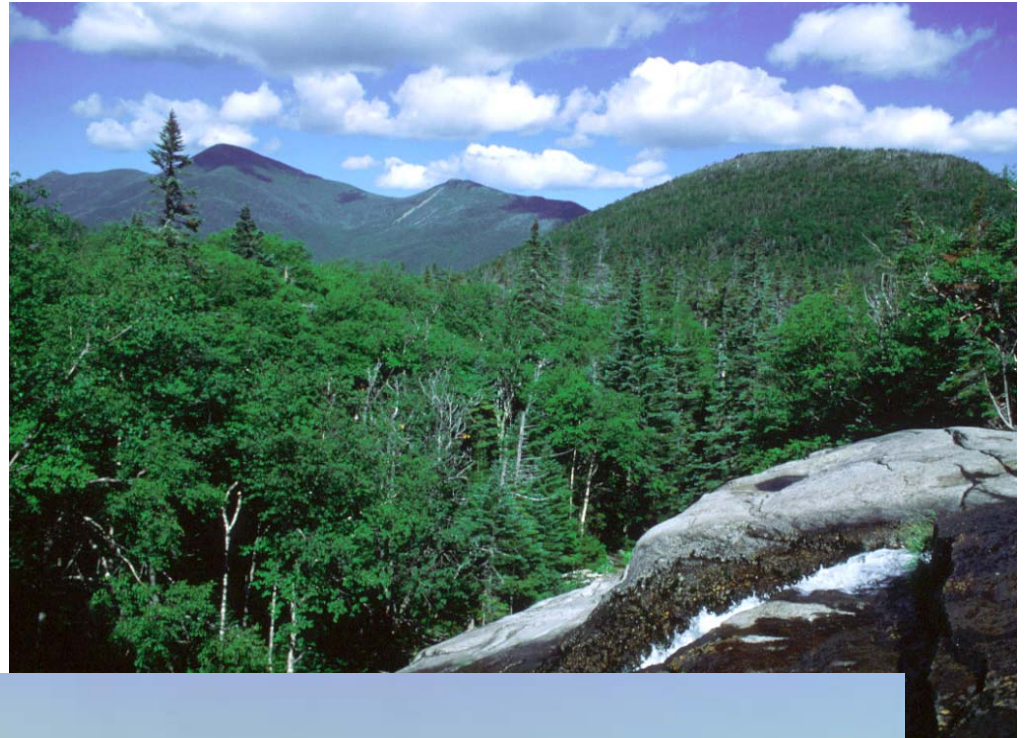


New York City's Coastal Infrastructure

Long Island Coastline



Wilderness Areas



Carl Heilman II



***Healthy Tourism
depends on
Climate
Protection***





***Natural Resources Drive the Economy:
Maple Syrup, Coldwater Fisheries,
Wood Products Industry***

Major New York Climate Policies



New York Climate Policy



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graph LR; A[New York Climate Policy] --- B[Government Sector +]; A --- C[Transportation Sector +]; A --- D[Electric Generating Sector +]; A --- E[Buildings Sector +]; A --- F[Sequestration +];
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Government Sector +

Transportation Sector +

Electric Generating Sector +

Buildings Sector +

Sequestration +

Major New York Climate Change Initiatives



Overall State Reduction Targets

- 5% Below 1990 Levels by 2010
- 10% Below 1990 Levels by 2020

Government Sector



Lead by Example Measures (2001)

- 35% reduction in energy use by 2010
- 20% state energy consumption from renewables by 2010
- 100% all state vehicles will be zero emission, hybrid or alternatively fueled by 2010

Transportation



- Vehicle GHG Emissions Standards—
 - Beginning with 2009 Model Year
 - 30% reduction in vehicle greenhouse gas emissions
- Tax Incentives for biofuels, alternative-fuel vehicles
- Cleaner Mass-Transit, e.g., hybrid electric buses.
- Green Vehicle Incentives (Green EZPass, HOV Lane Rules)

Buildings Sector



- Aggressive Energy Efficiency Program (\$300 million annually)
- Appliance and Equipment Efficiency Standards
- Green Building Tax Credit
- Urban Shade Trees

Sequestration



-
- Since 1995, preservation of 1 million new acres
 - Open Space Acquisitions
 - Urban Forestry

Electric Generating Sector



- Renewable Energy Portfolio Standard—25% of all electricity from renewables by 2013.
- Regional Greenhouse Gas Initiative to Reduce CO₂ Emissions from Power Plants through Mandatory Cap-and-trade Program



Regional Greenhouse Gas Initiative: A Carbon Market for the Northeast

CARB Briefing, December 11, 2006



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Overview of Briefing

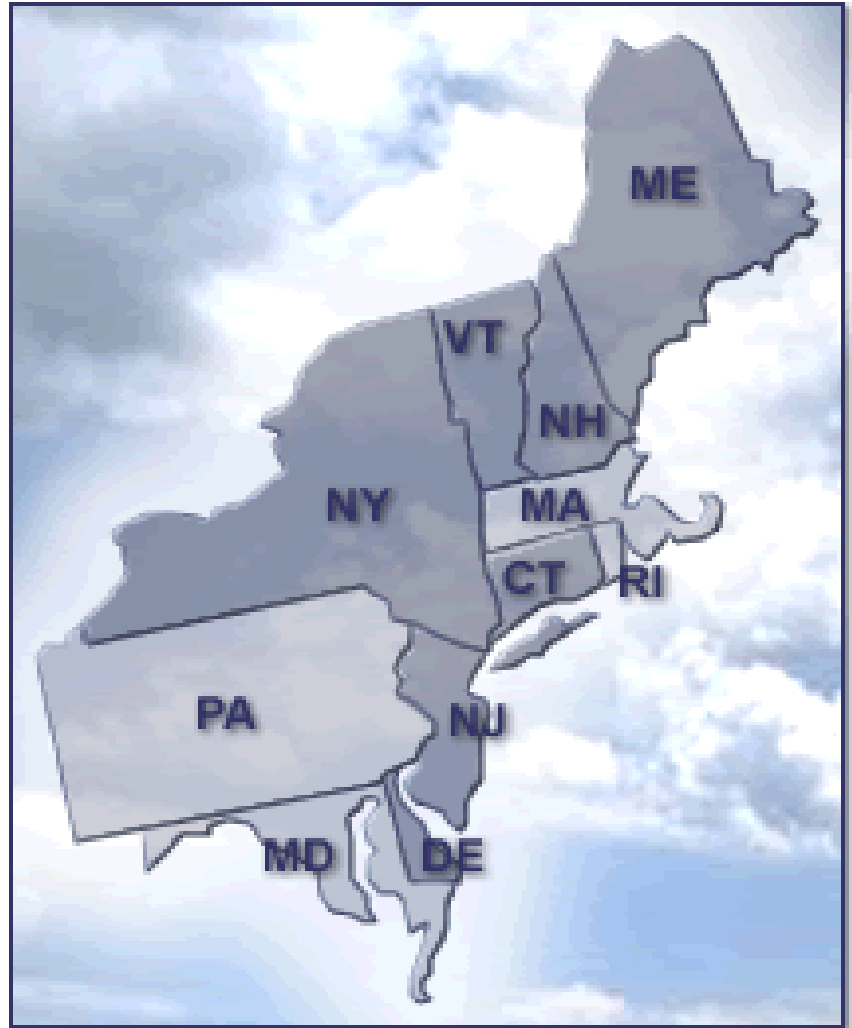
- Regional Process
 - 2003 Action Plan
 - Groundwork
 - 2005 Memorandum of Understanding
- Key Program Components
- RGGI Regional Organization
- California and RGGI



Regional Greenhouse Gas Initiative
An Initiative of the Northeast & Mid-Atlantic States of the U.S.

Background

- April 2003 Invitation from New York Governor Pataki
- July 2003 Launch
- September 2003 Action Plan
- Power plants first; other sources later

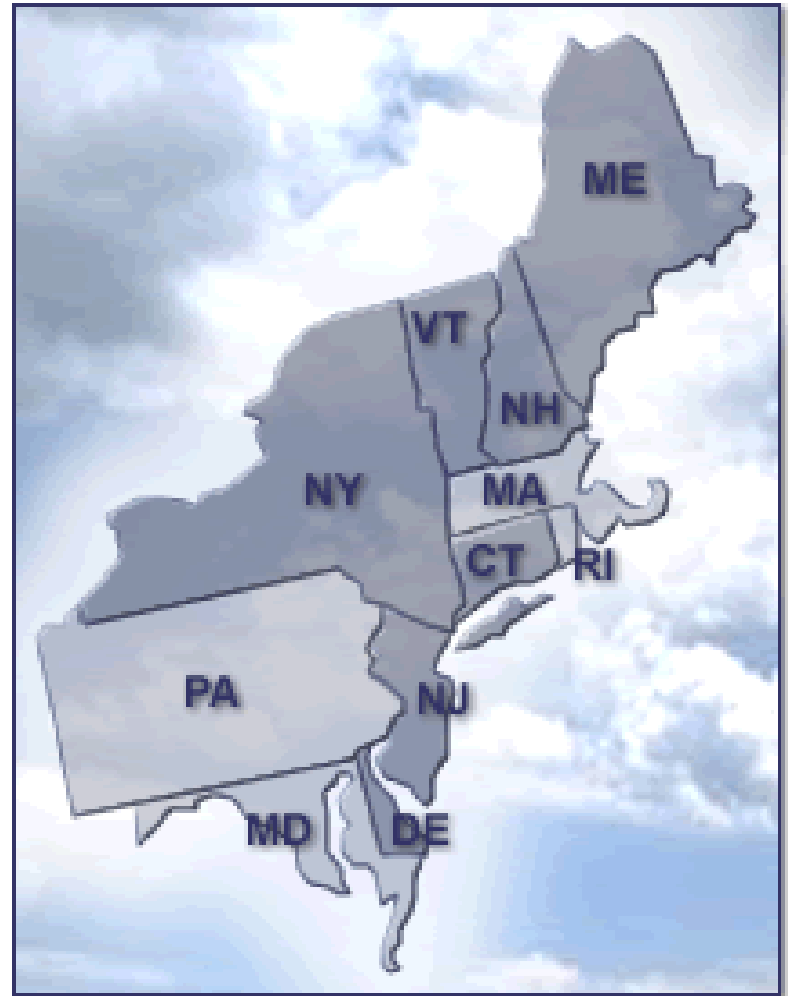


The Region at a Glance

(CT, DE, MD, NH, NJ, NY, & VT)



- *39.4 million people—
(13% of US Population)*
- *11th largest emitter in
the world*
- *\$1.8 trillion economy
(15% of U.S.)*



Regional Greenhouse Gas Initiative

Governors

Energy and Environmental Agency Heads

Staff Working Group

Data
Subgroup
(CT)

IPM Modeling
Subgroup
(NYSERDA)

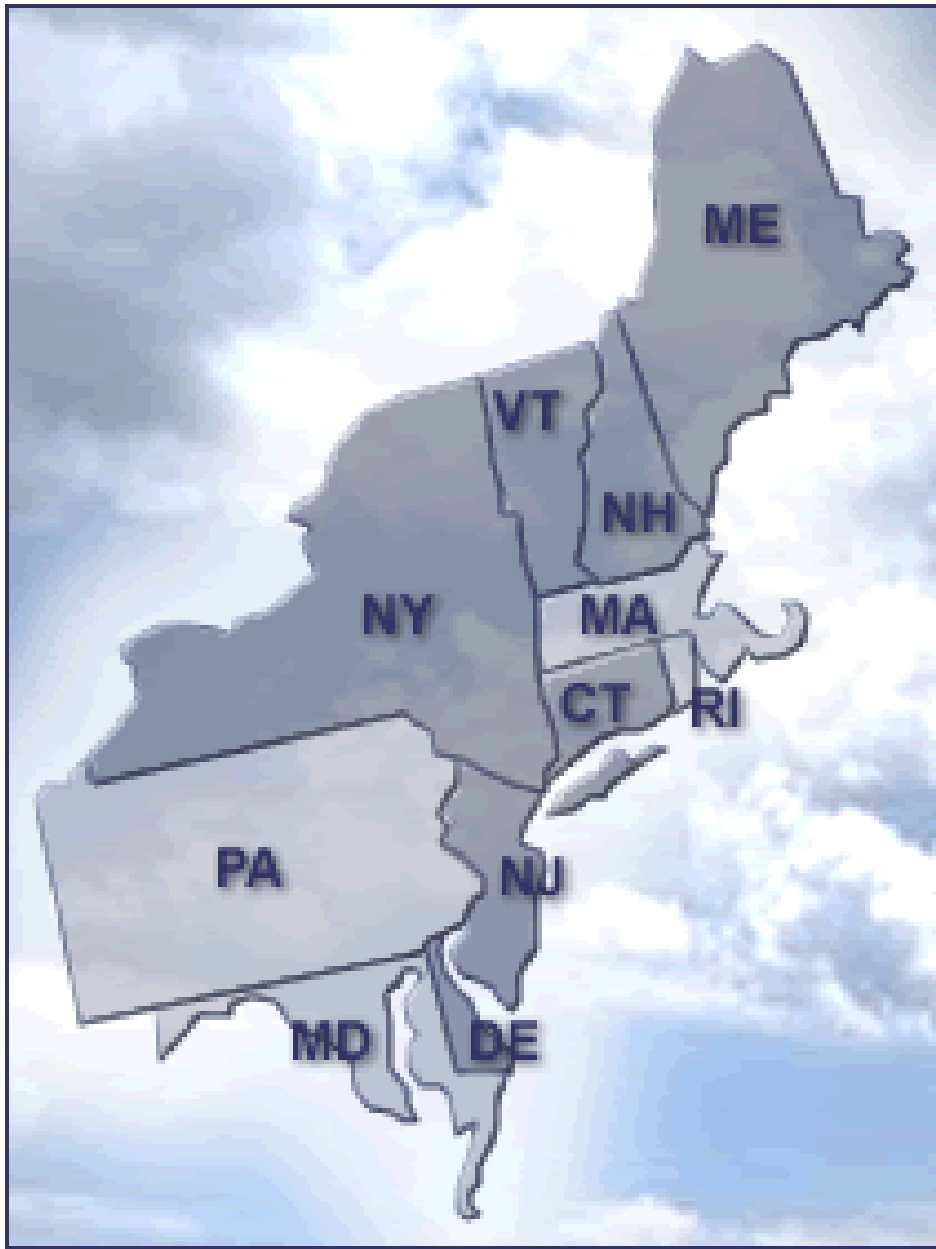
Macro-economic
Modeling (MA)

Website
(NJ)

Model Rule
Subgroup
(MA & NY)

2003 Action Plan

- Groundwork
 - Data Assembly
 - Impacts Analysis
 - IPM Energy Economic Modeling
 - REMI Macroeconomic Modeling
 - Stakeholder Process
- Policy Research & Deliberation



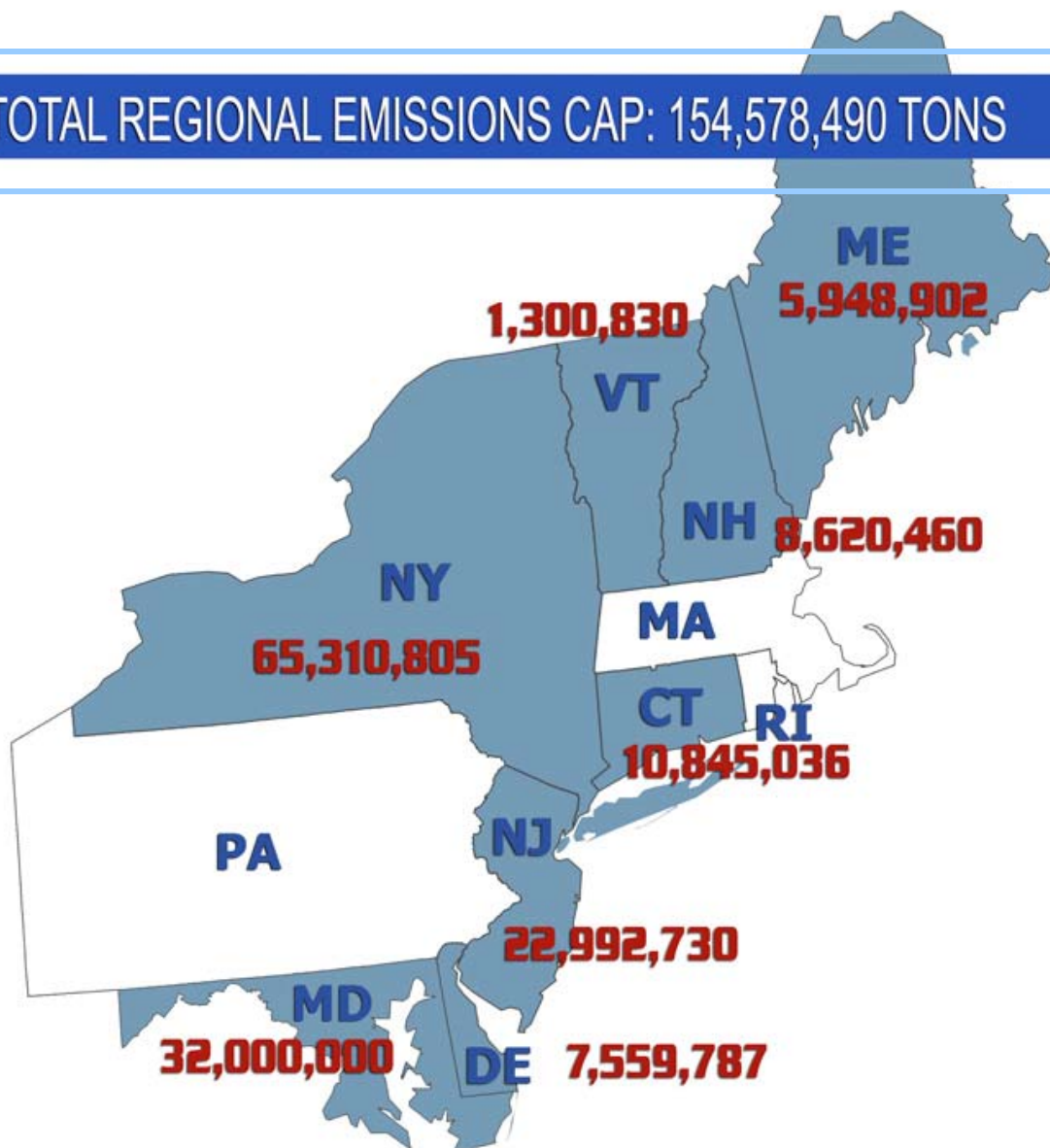
2005 MOU

- 7 States—CT, DE, ME, NH, NJ, NY & VT
- Maryland “On-Ramp”
- Massachusetts Expected Early ‘07
- RI? Pennsylvania?
- West Coast to Link?

How Does RGGI Work?

- Each state has an emissions cap—in tons of carbon dioxide
- States issue “allowances”, one per ton, up to the amount of the cap
- Each source must “cover” its emissions with allowances
- Allowances are traded among sources

TOTAL REGIONAL EMISSIONS CAP: 154,578,490 TONS



Reduction Requirements

- Stabilize emissions at current levels through 2014;
- then reduce by 10% by 2019
- ~13% below 1990 levels
- ~35% below business as usual



RGGI Program

- Start Date: January 1, 2009
- Covers Power Plants 25 Megawatts+
- Compliance obligation: cover emissions with allowances and offsets at the end of each compliance period



RGGI Program

- Allocations:
 - 25% minimum for Auction for Consumer Benefit and/or Strategic Energy Purpose
 - Proceeds to be invested in energy efficiency or clean energy technologies
 - Benefits of program go to consumers
 - New York and Vermont to auction 100%; Other states expected to follow suit



RGGI Program

- Flexibility Mechanisms:
 - Bio-mass co-firing compliance mechanism
 - Banking
 - Early reduction credits
 - 3-year compliance period
 - Offsets

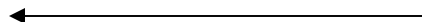


Additional Market Flexibility

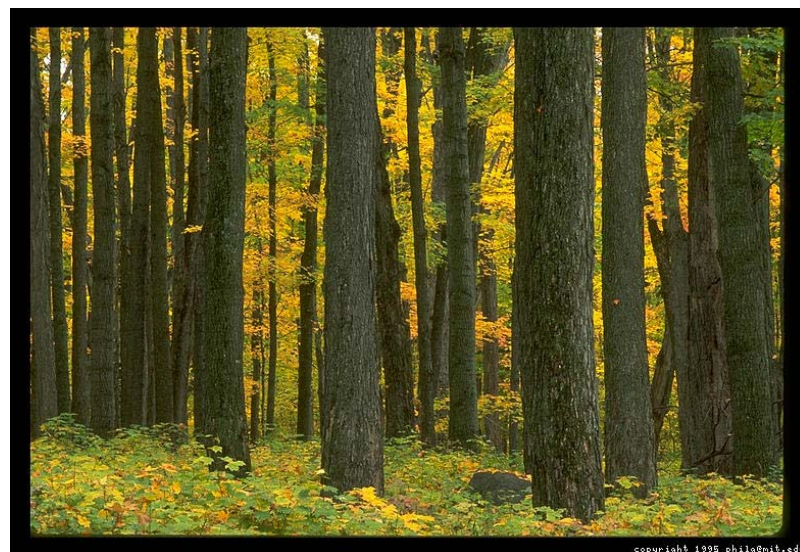
“Offsets” or Project-Based Reductions



***Methane
Capture from
Farms***



***Convert Land
to Forest***



Additional Market Flexibility

***SF₆ Gas Leak
Prevention in
Electricity
Distribution***

→



***Landfill Gas
Capture at Small
Landfills***

←



Additional Market Flexibility



***And End-Use Energy
Efficiency Projects***



Additional Market Flexibility

EU ETS & Clean Development Mechanism Credits



RGGI Regional Organization

- Role: technical assistance to states
- Board consisting of each state's energy and environmental agency head
- Plan for launch:
 - Incorporate RO and staff 1st – 2nd quarter '07.

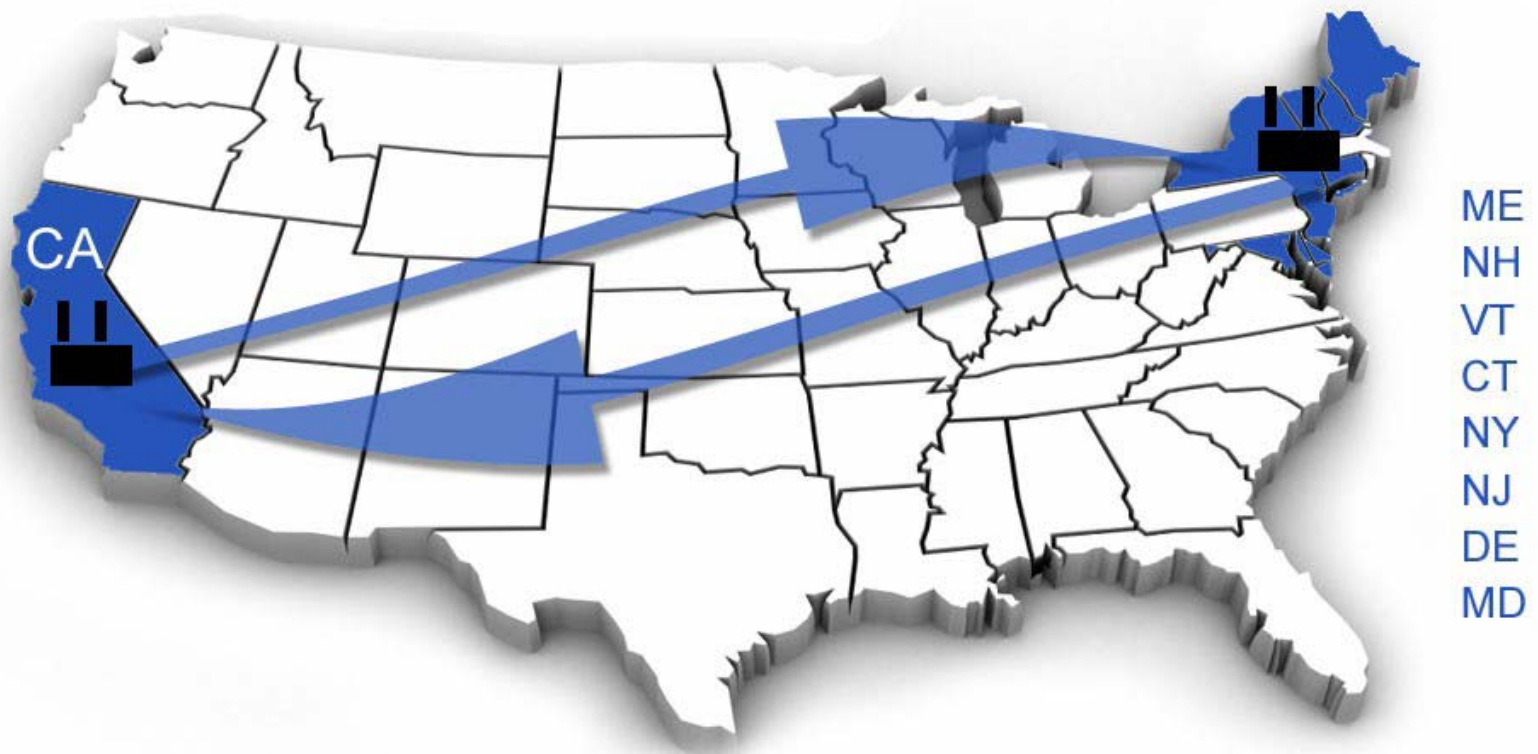


California and RGGI

- MOU among RGGI States Welcomes Participation by Additional States
- RGGI + California =
 - 24% of U.S. Population
 - 28% of U.S. Economy
 - 3rd Largest World Economy
 - 15% of U.S. Emissions
 - 6th Largest Emitter Worldwide



Seamless Trading Among Partners



Avoid Patchwork of Inconsistent Systems

RGGI Next Steps

- Each RGGI State putting RGGI on the books
- Maryland “On-Ramp”
- Add MA & RI, PA?
- Connection to California
- Link with other West Coast states?—
OR, WA, AZ, NM?
- Recognize additional international emissions “currencies”?